GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5082
ANSWERED ON:25.08.2000
PRIVATE COMMERCIAL BANKS
NARESH KUMAR PUGLIA

Will the Minister of FINANCE be pleased to state:

(a) the number of licences so far issued by the Reserve Bank of India for setting upprivate commercial banks and the names of parties to whom these licences have been issued;

(b) whether some more applications are under consideration of the Reserve Bank ofIndia for issue of licence for setting up private commercial banks;

(c) if so, the details thereof;

(d) the extent to which the profits of nationalised banks have been adversely affected due to operation of private commercial banks;

(e) whether any measures have been taken by the Government to improve facilities to customers and extend working hours in nationalised banks at least at par with those in private commercial banks; and

(f) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHE8 VIKHE PATH) :

(a) Consequent on issue of guidelines on entry of new private sector banks by the Reserve Bank of India in January 1993, licences have been issued to ten banks (including conversion of a multi-state co-operative bank into a private sector banking company). The details are given in the attached statement.

(b) and (c) Reserve Bank of India (RBI) have reported that eleven applications arepending for setting up of new banks in the private sector. These applications were made on the basis of the 1993 guidelines. Consideration of the pending applications for setting up new private sector banks await the finalisation of revised guidelines.

(d) As on 31.3.2000, the 27 public sector banks have reported operating profits out of which. 26 banks have reported net profit. Of the 32 banks including the new banks in the private sector all except one reported profits as on 31.3.2000. No co-relation can be made of the profits of nationalised banks with the operation of private commercial banks.

(e) and (f) Measures for improving customer service in public sector banks are taken on a continuous basis. Such measures include computerisation, seven days banking, banking on Sundays in lieu of market holidays which fall on different days etc. Further some nationalised banks have also extended their business hours to provide banking facility for rendering better customer service. Reserve Bank of India has reported that some public sector banks have started undertaking non-cash transactions during the extended business hours.